



## IC MEMORANDUM 09-11

**TO: KEHP Insurance Coordinators**

**FROM: Department of Employee Insurance (DEI)  
Member Services Branch (MSB)**

**RE: COBRA Stimulus**

**DATE: April 14, 2009**

Commonwealth of Kentucky  
Personnel Cabinet  
Department of Employee Insurance  
2<sup>nd</sup> Floor, State Office Building  
501 High Street  
Frankfort, Kentucky 40601

Web Site: <http://kehpn.ky.gov>

March 4<sup>th</sup>, 2009, DEI distributed "IC Memorandum 09-05" regarding a subsidy for COBRA coverage which is included in the American Recovery and Reinvestment Tax Act of 2009.

We ask that you remain patient as DEI and Ceridian continue to work to effectively communicate and administer the COBRA provisions of the American Recovery and Reinvestment Tax Act of 2009.

This week Ceridian will send out election packets to any member who has lost coverage since September 1<sup>st</sup>, 2008. Attached to this email are sample packets Ceridian will send out to members. The first two pages of the packet will be the initial notification and if the member feels they are eligible for the subsidy, the member can request the additional information. Upon receiving the additional documentation, the member is required to complete the ARRA Premium Reduction form (enclosed with the packet) and return to Ceridian with their election form. When Ceridian receives the information, they will contact the coordinator to confirm if the member was involuntary terminated. Ceridian has requested for coordinators to respond to their request within three business days. If a response is not received from the agency, Ceridian will send a denial letter to the member. Please note the importance of responding to Ceridian's request in a timely manner.

Ceridian is handling all the notices, elections and collections of premiums. Ceridian will collect the 35% of the premium from the individual and remit to the KEHP. The KEHP Trust will be in a sense fronting the remaining 65% until the Commonwealth is reimbursed for the 65% of the premium through the Treasury via Form 941. The KEHP will be the sole subsidy administrator of the multiple employer groups in the KEHP. Ceridian will send DEI all relevant information on all the individuals who elect the subsidy to submit the Form 941. Everything will come from the Commonwealth Tax ID No. and therefore the reimbursement/refund can also come to that same Tax ID No. The Kentucky State Treasurer will submit

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Administrative Office of the Courts

RONNIE O'NAN  
Kentucky Transportation Cabinet



the Form 941 for the reimbursement/credit of the 65%. **Agencies will not be required to submit Form 941.**

We believe you will find the packets have beneficial information that will assist you in answering questions from members who may be potentially eligible for this subsidy. We encourage you to read through this information thoroughly and to contact Ceridian at 800-877-7994 with any additional questions that you may have.

As always, please feel free to contact Sherry Davis or Christie Burkhead with the Member Services Branch at 888-581-8834 with any questions or concerns on the COBRA subsidy.

